**NAME: COOPERATIVE PRODUCTIVE SOCIETY FOR RUGS AND CARPET PRODUCERS IN SAQIET ABU SHAARA - MENOUFEYA**

**TRAINING DATES 25 - 27 MARCH, 2016**

**COACHING DATES: 2-3 APRIL, 2016**

## I. Basic Data:

Address: Menoufeya, Makraz Ashmoun, Saqiet Abu Shaara

Legal Status: Productive Cooperative established under Law # 110, 1975

Registered under # 1 for the year 1991

Areas of work: Economic Development – Social Welfare – Social Development for Rugs' and Carpet workers. The main purpose of the cooperative is to improve its members' social and economic status

Geographical Area of Activity: Saqiet Abu Shaara, Asmoun Menoufeya

Management Premises: The house of the Cooperative Secretary Mr. Ashraf Sedky Abdul Rahman

Number of founding members: 7 Board Members 7

Major Purposes (included in the approved bylaws):

- Assisting members in home-based production of carpets and rugs by providing weaving machines أنوال and raw materials
- Providing cash and in-kind support for members and their families in cases of emergency needs
- Providing cultural and social services to members and their families

## II. Premises and Organizational Structure

- The cooperative premises is housed within an apartment (street level) at the house of Mr. Ashraf Sedky Abdel Rahman. However, the premises is suitable for the business but has to be officially supported with papers like a rental agreement.
- The cooperative organizational structure is limited to the Secretary of the cooperative. Board Chairman and members participate in management.

## III. Brief on Training and Coaching

In general the cooperative Chairman was committed to attend and benefit from the training for the whole training duration; the Board secretary attended for the training first day only. The coaching sessions were attended by the treasurer, the Board Secretary and the son of the Board secretary to help in comprehending the accounting system and procedures. Following is a list of the attendees:

| ***Name*** | ***Position*** | ***Coordinates*** |
|---|---|---|
| Mohamed Mahmoud Mostafa | Chairman (attended all training days) | Mob: 01007885606 |
| Ashraf Sedky Abdel Rahman | Cooperative Secretary (attended first day of the training and all coaching days) | 01001003669 |
| Mamdouh Mohamed Shehata | Board Member (attended second day of the training) | 01226171936 |
| Kadry Abdel Naby El-Shoura | Cooperative Treasurer (attended coaching sessions) | 01006432537 |

With regards to the coaching sessions, the consultant provided a detailed explanation regarding the documentary cycle and the financial books and records. These covered the current scope of the cooperative, as well as in case of engaging in providing loans to micro enterprises. The consultant delivered all required forms for cash management (collection and disbursements), as well as bank checks.

The consultant also assisted the cooperative in recording all financial transactions including its associated explanation notes, as well as opening accounting books and registers (including general journal, general ledger, fixed assets register, inventory register, and register for the analysis of general and administrative expenses); which are required by the Egyptian supervisory authorities including the Central Cooperative and Egyptian financial Supervisory Authority (EFSA). The consultant also delivered a simple excel-based accounting sheets that help in recording transactions and producing Income Statements and Balance Sheets.

Finally, the consultant assisted the cooperative in re-arranging the time deposits that it has (they had a deposit of 15000 L.E. at a rate of 6%) to be re-assigned for the current interest rates of 11% and also advised to invest another 16000 L.E. in another time deposit which will increase the revenue of the cooperative.

## IV. Relevant Recommendation

In general, the cooperative is found incapable in its current position to engage in providing micro and small loans to its members for the following reasons:

- Low signs of commitment to the training and repeating more than once a question of what about the grants for the cooperative
- Lack of harmony among members and almost a complete cessation of activities

In order to provide micro loans to its clients, it needs the following as a start-up:

- Providing a concrete sign of commitment to the activity (such as assigning part of its resources as a loan fund with proper approvals with time-bounded irrevocable contracts)
- Assigning a responsible person to manage activities apart from Board members
- Building trust and harmony among board members, as well as completing the organizational structure of the cooperative
- Complete training modules in loan extension and collection; including client identification, recruitment, assessment, and loan processing
- Training in loan application processing, assessing loan paper requirements, developing cash flow for the clients and assessing loan size
- Client follow-up during the loan cycles
- Loan documents' issuance and approvals (including loan requests, applications, and loan contracts)
- After receiving the appropriate training, the foundation also needs to apply for a license from the Egyptian Financial Supervisory Authority (EFSA) for a class "C" MFI license